

CRESTON & DISTRICT CREDIT UNION

Communicator

Newsletter Spring 2023

2022 in Review

Profits Returned to Members

Creston & District Credit Union is reporting another successful year of operation and we are pleased to present the results to our members. Much of 2022 was marked by rising inflation, rising interest rates, and increased volatility in the economy and financial markets. Our industry experienced rising pressure on expenses and financial margin. Despite this, our Credit Union continued to perform well. As a result of strong performance, the Board of Directors is pleased to announce the following dividends and patronage for the year ended December 31, 2022:

- 5% equity dividend on Class C Equity Shares and Class C RRSP Equity Shares
- 5% patronage refund on loan interest paid
- 5% patronage premium on deposit interest earned
- 12% service charge refund

All patronage and service charge rebates were paid as cash to members' accounts. The equity share dividend was added to the member's equity share balance. All transactions were processed to member's accounts in January of 2023. In total, \$408,573 of our operating income has been returned to our members, which is an increase of 43% over the prior year.

Annual General Meeting

The Annual General Meeting of the Creston & District Credit Union will be held in-person on **Thursday, April 20, 2023 at 7:00pm at the Creston & District Community Complex** in the Creston Room. Doors open at 6:30pm.

Director Elections

At the close of this year's Annual General Meeting, the terms for current Directors Jim Ryckman, Carrie Czar, and Rick Minichiello will expire. A call for Director Nominations was mailed to the membership on January 20, 2023.

No additional nominations were received. Accordingly, Jim Ryckman, Carrie Czar, and Rick Minichiello will be declared elected by acclamation at our Annual General Meeting on April 20, 2023.



Report of the Independent Auditor on the Summarized Consolidated Financial Statements

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To the members of [Creston & District Credit Union](#)

Opinion

The accompanying summarized consolidated financial statements, which comprise the summarized consolidated statement of financial position as at December 31, 2022, the summarized consolidated statements of comprehensive income, changes in members' equity, and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Creston & District Credit Union as at December 31, 2022.

In our opinion, the accompanying summarized consolidated financial statements are a fair summary of the financial statement, in accordance with Article 128 of the Financial Institutions Act of B.C.

Summarized Consolidated Financial Statements

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditor's report thereon.

The summarized consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 23, 2023.

Management's Responsibility for the Summarized Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of B.C.

Auditor's responsibility

Our responsibility is to express an opinion on the summarized consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Kelowna, Canada
March 23, 2023

Grant Thornton LLP
Chartered Professional Accountants

Creston & District Credit Union

Summarized Consolidated Statement of Financial Position

December 31	2022	2021
Assets		
Cash and cash equivalents	\$ 9,121,525	\$ 18,743,436
Investments	72,861,241	64,696,203
Receivables and prepaid expenses	331,470	368,086
Loans	96,764,573	92,528,546
Property, plant and equipment	977,118	985,841
Investment properties	346,667	356,221
Investment in and advances to associates	<u>10,264,377</u>	<u>10,328,205</u>
Total assets	<u>\$ 190,666,971</u>	<u>\$ 188,006,538</u>
Liabilities		
Deposits	\$ 164,492,088	\$ 163,212,665
Payables and other liabilities	1,156,335	741,297
Income taxes payable	94,257	92,058
Deferred income tax	<u>29,000</u>	<u>24,000</u>
Total liabilities	<u>165,771,680</u>	<u>164,070,020</u>
Members' equity		
Retained earnings	21,564,298	20,093,550
Members' shares	3,574,585	3,900,494
Accumulated other comprehensive loss	<u>(243,592)</u>	<u>(57,526)</u>
Total members' equity	<u>24,895,291</u>	<u>23,936,518</u>
	<u>\$ 190,666,971</u>	<u>\$ 188,006,538</u>

On behalf of the Board



Director



Director

Creston & District Credit Union Summarized Consolidated Statement of Earnings and Comprehensive Income

Year ended December 31	2022	2021
Financial income	\$ 5,053,397	\$ 4,093,761
Financial expense	<u>779,219</u>	<u>550,819</u>
Financial margin	4,274,178	3,542,942
Equity in income of subsidiaries	436,172	537,013
Other income	<u>906,707</u>	<u>882,504</u>
Operating income	5,617,057	4,962,459
Operating expenses	3,309,844	2,992,074
Distributions to members	<u>408,573</u>	<u>285,028</u>
Earnings before income taxes	1,898,640	1,685,357
Income taxes	<u>427,892</u>	<u>291,877</u>
Net earnings	1,470,748	1,393,480
Other comprehensive loss, net of tax	<u>186,066</u>	<u>57,526</u>
Comprehensive income	<u>\$ 1,284,682</u>	<u>\$ 1,335,954</u>

Creston & District Credit Union Summarized Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2022

	Members' Shares	Retained Earnings	Accumulated other comprehensive income	Total members' equity
Balance on December 31, 2020	\$ 4,041,572	\$ 18,700,070	\$ -	\$ 22,741,642
Net earnings		1,393,480	-	1,393,480
Unrealized loss on debt securities, net of tax (\$21,777)	-	-	(57,526)	(57,526)
Change in members' shares, net	<u>(141,078)</u>	<u>-</u>	<u>-</u>	<u>(141,078)</u>
Balance on December 31, 2021	3,900,494	20,093,550	(57,526)	23,936,518
Net earnings	-	1,470,748	-	1,470,748
Unrealized loss on debt securities, net of tax (\$68,818)	-	-	(186,066)	(186,066)
Change in members' shares, net	<u>(325,909)</u>	<u>-</u>	<u>-</u>	<u>(325,909)</u>
Balance on December 31, 2022	<u>\$ 3,574,585</u>	<u>\$ 21,564,298</u>	<u>\$ (243,592)</u>	<u>\$ 24,895,291</u>

Creston & District Credit Union Summarized Consolidated Statement of Cash Flows

Year ended December 31	2022	2021
Increase (decrease) in cash and cash equivalents		
Operating activities	\$ (1,315,980)	\$ 20,501,663
Financing activities	(325,909)	(141,078)
Investing activities	<u>(7,980,022)</u>	<u>(22,095,162)</u>
Net decrease in cash and cash equivalents	(9,621,911)	(1,734,577)
Cash and cash equivalents, beginning of year	<u>18,743,436</u>	<u>20,478,013</u>
Cash and cash equivalents, end of year	\$ 9,121,525	\$ 18,743,436

A full set of consolidated financial statements are available from the Credit Union

CRESTON & DISTRICT
CREDIT UNION

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Board of Directors:

President.....Don Low
Secretary.....Rob Simpson
Director.....Carole Materi
Director.....Jim Ryckman

Vice President.....Don Tarrant
Director.....Carrie Czar
Director.....Rick Minichiello

Management

CEO.....Lawrence Makortoff

Manager, Administration...Kelly Marshall

Mission Statement

Creston & District Credit Union is and will continue to be a sound, profitable, independent, progressive, service- oriented financial institution. We are dedicated to serving our member's needs and committed to contributing to the well-being of our community.